

BRIEFING NOTE



September 2012

MINERAL EXTRACTION IN THE TAIMYR PENINSULA

In the Taimyr Peninsula, the Norisk Nikel Company is extracting and processing precious minerals. It produces 35% of the world's Palladium, 25% of its platinum, 20% of its nickel and 10% of its cobalt.

The Taimyr Peninsula was once the territory of large groups of indigenous peoples – the Evenkis, Nenets, Dolgans, Nganasans and the Ents, - now they remain only as "small numbered indigenous peoples", some of them heading for extinction. To them, industrialisation has meant nothing but the loss of land, heavy pollution, depletion of natural resources and the destruction of their traditional livelihood which were once sustainable reindeer herding, hunting, and fishing.

OJSC Norilsky Nikel, formerly the Norilsk Combine Plant, began operating in 1935 and has been exploiting the mineral resources of Taimyr for 77 years. Specialists commonly recognize the mineral deposits of Norilsk as a unique global resource. Today, OJSC Norilsky Nikel is the leading company in the extraction and processing of nonferrous metals, not only in Russia but worldwide.

OJSC Norisk Nikel is a profitable, well known and respected company at home and abroad. But nothing is reportedly done to protect and respect the rights of the local indigenous communities or to remedy their losses.

Environmental impact

The Nadezhinsky Smelting Plant – the pride of the Norilsk Combine Plant - was commissioned in 1981. Its polluting emissions containing heavy metals have been found as far away as Canada, Finland, Sweden, and even Alaska, in the US. Today, the town of Norilsk is surrounded by a lunar landscape for tens of kilometers; the dead tundra stretches for hundreds more. The smell of the Plant's production activities is well-known to the indigenous peoples of the Ust-Avam, Volochanka, Khantaiskoye Ozero and Potapovo settlements, some of them hundreds of kilometers from Norilsk.



Pollutants emissions into the atmosphere in 1986-1996 fluctuated between 1,937 million tons and 2,394 million tons. The list of standardized pollutants in 1986-1996 grew from 18 to 31; sulphur dioxide makes up the largest proportion (up to 98%). Solid sludge alone in all of the industrial emissions into the atmosphere in 1996 amounted to 26,678,000 tons. These figures are easily said but be-

hind them lie the ruined lives of many people and a decimated wildlife.

In Rosstat's brochure "Russia in Figures – 2011", Norilsk figures as the most polluted Russian industrial town in 2010, with atmospheric emissions of nearly 2 million tons. While various rehabilitation and health programs are being implemented for the people of Norilsk, including the program for northerners' relocation to the south funded by OJSC Norilsky Nikel, there is, however, nothing similar for the indigenous peoples!

Historic relations

The first explorers of the mineral resources were in fact the ancestors of today's indigenous peoples of Taimyr. This has been confirmed by archaeologists who have discovered the dwelling sites of Bronze Age people near Lake Pyasino, along with primitive smelting and casting equipment.

Norilsk ore can be found at the site of the medieval town of Mangezey on the Taz River, in the territory of today's Yamalo-Nenets Autonomous Okrug. Obviously, the indigenous Ents, Nenets, Nganasans and Dolgans living in this area extracted the ore and traded it for the goods they needed. The Taimyr indigenous peoples' traditional knowledge of these rich metal deposits was later used by Russian merchants on arrival in the North. The indigenous peoples of Taimyr assisted not only by sharing their knowledge of the local areas but also their knowledge of the local climate, household, foods, clothing and footwear. They acted as guides and provided transportation on reindeer sledges, along with other assistance. In Soviet times, this assistance became compulsory. Hundreds of indigenous peoples' representatives were relocated for purposes of forced labor, during which most of them died.

The Norilsk Combine Plant's success would not have been possible without the Sovietization of Taimyr, which included the extermination of the strongest sector of the indigenous communities: the local leaders – princes and shamans. The Remembrance Book of Taimyr Repression includes over a hundred executed Dolgans, Nenets, Evenks, Nganasans and Ents. This was

a huge loss for the northern indigenous groups, who are extremely small-numbered. According to the Russian Census of 2010, for example, there are just 862 Nganasans and 227 Ents left.

The Norilsk Combine Plant continued to grow as the indigenous peoples of Taimyr sustained further losses. In 1942, the Plant's Nickel Smelting Shop began production, in 1949, the Plant's

Copper Shop. It was then that the environmental tragedy of the Taimyr tundra and its indigenous peoples began.

Impact on Indigenous Fishermen

Ever since the Combine Plant was first constructed, the main transportation route to the plant has been via the Northern Sea Route, including the lower course of the Yenisei River. In 1978, disaster struck the indigenous peoples engaged in winter fishing on the Yenisei. It was then that year-round navigation started. Powerful icebreaking vessels made their way through one-and-a-half meter thick ice, often right through fishing nets. Dozens of people have died since then in the icy pass. Communication has broken down between the people living on the different banks of the river. The reindeer herders, who have traditionally brought their reindeer to the left bank of the Yenisei, now go less often to visit their children in the settlements' boarding schools on the right bank.

In December 2011, a powerful icebreaking vessel, the Talnah, belonging to OJSC Norilsky Nikel, passed along the water passage and right through the several tons of frozen fish that was being stocked on the ice nearby for shipment to Dudinka. The damage amounted to 3 million roubles, US\$100,000, and yet no compensation has been paid!

The year-round navigation has also brought with it another problem. To ensure safe navigation, it was decided to use radioisotope thermoelectric generator (RITEGs) for vessel piloting. Old men say the generators are installed along the pass on the river bottom. Whether this is true or not, we do not know. This information is still confidential. Ever since, however, fishermen have started catching half-boiled fish with their meat falling off the bones; also since then there have been more cases of deaths from cancer. In the settlements along the Yenisei estuary, drinking water is taken from the river and consumed without any treatment whatsoever.

The official sources state that RITEGs serve as sources of electricity by using heat energy from radioactive decay; Stron-



tium-90 is used as RITEG fuel or, for high-capacity generators, Plutonium-238. Their lifespan is 10 to 30 years and, after that, they are supposed to undergo treatment. Nothing is as yet known in Taimyr about this treatment, however.

Power generation – for whom?

Khantai Evenkis living in the south of Taimyr have also suffered from the Combine Plant's activities. Construction of the Ust-Khantai Hydro-Power Plant began in 1963 – the production facilities of the Norilsk Combine Plant needed cheap electricity. However, the bottom of the reservoir was not cleaned properly and, according to ecologists, the flooded larch forests are still emitting phenols. Evenkis in Khantaiskoye Ozero settlement have no place to go. They drink contaminated water and eat contaminated fish. Moreover, phenols attack the fish immune system and so most of them are contaminated with parasites (helminths and intestinal worms).

Electricity from the Ust-Khantaiskaya HPP is made available to the Norilsky Combine Plant itself, the people of the cities of Norilsk, Dudinka and Igarka, but not the indigenous peoples. Even the relatively close settlements of Potapovo and Khantaiskoye Ozero, populated by Ents, Evenkis and Dolgans, are not connected to the HPP's main transmission line.

The impact of gas development on indigenous reindeer herders

In the 1960s, gas was required to operate the Norilsky Combine Plant and, in 1966, the Messoyakhinskoye gas condensate field came into operation, 250 kilometers from Norilsk. This is the native land of the Taimyr Nenets. In the 1970s, two nuclear explosions were performed to provide underground gas storage facilities on their territory. We do not know how hazardous this has made the area; the Nenets were never warned of the consequences, and no radiation survey has been carried out to this day. In 1972, the Yuzhno-Soleninskoye gas condensate field was commissioned at the same location. In October 2003, the Pelyatkinskoye gas condensate field came into operation. It comprises eight wells and a powerful gas production infrastructure on the territory of the Nenets of Taimyr.

A new gas pipeline is currently being laid from this field; its length will be nearly 300 kilometers. Officially, the total area of seized and destroyed pastures will amount to 940.73 hectares; in reality, this area is going to be three times greater. The gas pipeline will run through the most productive pastureland. Investment in the gas condensate pipeline construction is thought to amount to some 16,409,243,000 roubles and yet the project does not envisage any compensation for the Nenets reindeer herders.

Business and politics

Today, OJSC Norilsky Nikel is a universally-recognized leader in the production of nonferrous metals both in Russia and worldwide. The company's owners are official dollar millionaires, individuals highly respected at home and abroad, who take part every year in the World Economic Forum in Davos, Switzerland.

According to International Financial Reporting Standards the company's turnover in 2010 amounted to \$12,775 billion, and its net profit in the same year came to \$3.09 billion.

In March 2012, the President of OJSC Norilsky Nikel, Andrey Klishas, became a member of the Council of Federation (the upper house of parliament), representing Krasnoyarsky Kray. The company's protégés occupy the highest positions in the Krasnoyarsky Kray government.

Corporate responsibility?

The owners, managers, and protégés of OJSC Norilsky Nikel consider themselves to be civilized people but they forget that social corporate responsibility implies respecting the rights of indigenous peoples and local communities, adhere to the principle of free, prior and informed consent and paying reparations to the parties that suffer from their activities.

However, as of early 2012, no consultations have been carried out and there has not been a single agreement with any of the communities of Taimyr's indigenous peoples, there is not a single agreement in effect with Taimyr's indigenous peoples' organisations. There is not a single program of targeted support for these peoples. The managers of OJSC Norilsky Nikel may argue that support is being provided. And, indeed, it is – but for whom?

The company is currently building an Ice Palace in Dudinka, it helped repair Dudinka's swimming pool and, in 2005, it undertook an overall refurbishment of the town's Fitness Center. However, there are practically no indigenous peoples' representatives in Dudinka

The indigenous peoples also receive something in the context of so-called "patronage". For example, every year, the company hands out presents to the reindeer herders on Reindeer Herders' Day. Last year, the most expensive present was a portable diesel generator worth 7 or 8 thousand roubles (US\$250). Most often the presents are thermos flasks worth 100-150 roubles (US\$4),

spoon bait sets and other trifles. Two years ago, the company gave 3-5 year-old children metal brandy flasks!

The cost of success

In 2010, the magazine "Indigenous Peoples' World – Living Arctic" published a report by the Association of Indigenous Small-Numbered Peoples of Taimyr in which the support from OJSC Norilsky Nikel was estimated at two million roubles a year or around US\$60,000. The company's net profit, as already mentioned, amounted to US\$3.09 billion in 2010. The company evaluates the long term damage to the indigenous peoples of Taimyr as 0.0054% of its yearly profit. Just how much is that?

Over the years of the Norilsk Combine Plant's activities, the Nganasan and Dolgan living in the central part of Taimyr (Ust-Avam, Volochanka) have lost their traditional way of life, their unique reindeer herding culture, due to the environmental impacts. Reindeer herding is the basis of the northern nomadic peoples' culture, which is reflected in their language. Today, their settlements are full of unemployment, alcohol abuse, suicides, crime and social orphans. Two years ago, Khantai Evenkis also lost their reindeer herding. For the indigenous peoples, losing reindeer is the same as losing face for the Japanese. It is a devastating tragedy.

The Nenets and Ents – reindeer herders and fishermen living on the banks of rivers and brooks in the areas where gas is extracted at the Messoyakha, Pelyatka, Yuzhno-Soleninskoye and Vankor fields – can no longer go fishing because there are practically no fish left in those waters. This is the price of the Norilsk Combine Plant's success since 1935 to this day.

OJSC Norilsky Nikel' success is a tragedy for the indigenous peoples of Taimyr!

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Notes

- 1 http://www.gks.ru/bgd/regl/b11_12/Main.htm
- 2 Мир коренных народов Живая Арктика. http://raipon.info/Documenty/Biblioteka/24.pdf